Amendments to the Claims:

The listing of claims will replace all prior versions, and listings of claims in the application:

Listing of Claims:

Claim 1 (cancelled)

Claim 2 (currently amended) A bitstream conversion apparatus ~~for converting an incoming first moving-picture bitstream at a first code transfer rate to a second moving-picture bitstream at a second code transfer rate,~~ comprising:

a bitstream receiver to receive an incoming first moving-picture bitstream at a first code transfer rate in which the incoming first moving-picture bitstream ~~having~~ has already been obtained by coding first pictures set at a predetermined interval and used as reference pictures for inter-picture prediction of a moving picture to be coded and coding second pictures different from the first pictures~~, the apparatus comprising:~~;

a motion amount detector to obtain motion activity from information on activity carried by the incoming first moving-picture bitstream;

a decimation controller to set a decimation rate on the second pictures of the incoming first moving-picture bitstream according to at least the motion activity; and

a bitstream decimator to decimate only bitstreams of the second pictures from the incoming first moving-picture bitstream at another predetermined interval according to the decimation rate, thus outputting a second moving-picture bitstream at a second code transfer rate different from the first code transfer rate.

Claims 3 – 5 (cancelled)

Claim 6 (currently amended) A bitstream conversion method ~~of converting an incoming first moving-picture bitstream at a first code transfer rate to a second moving-picture bitstream at a second code transfer rate,~~ comprising the steps of:

receiving an incoming first moving-picture bitstream at a first code transfer rate in which the incoming first moving-picture bitstream has already ~~having~~ been obtained by coding first pictures set at a predetermined interval and used as reference pictures for inter-picture prediction of a moving picture to be coded and coding second pictures different from the first pictures~~, the method comprising the steps of:~~;

obtaining motion activity from information on activity carried by the incoming first moving-picture bitstream;

setting a decimation rate on the second pictures of the incoming first moving-picture bitstream according to at least the motion activity; ~~and~~

decimating only bitstreams of the second pictures from the incoming first moving-picture bitstream at another predetermined interval according to the decimation rate; and

outputting a second moving-picture bitstream at a second code transfer rate different from the first code transfer rate.

Claims 7 – 8 (cancelled)